



Aviva's strategic response to climate change

July 2015

Aviva is determined to make its own contribution to tackling climate change. This is not at odds with business or investment. In fact, it is a **business imperative**.

Climate change is material to the long-term success of many of the companies and economies in which we invest. Over the coming decades, climate change presents strategic issues to businesses in many different industries, including our own.

"If we do not take
urgent action
to limit global temperature
increases to within

2°C

the impacts upon the economy, society and our business will be nothing short of devastating."

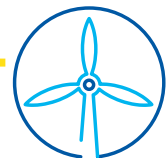
Mark Wilson
Group Chief Executive
Officer, Aviva plc

OUR 5 CARBON PILLARS:



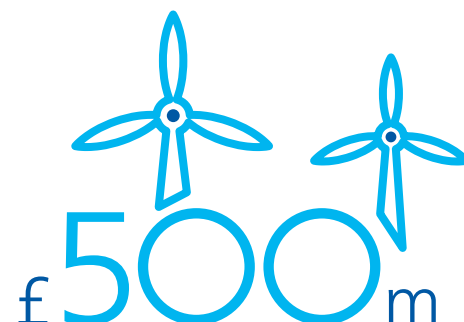
1. Integrating climate risk into investment considerations – we will continue

to explore ways to integrate carbon risk, alongside other material environmental, social and governance issues (ESG), and actively seek to collaborate to publish new research and insights. We remain deeply committed to ensuring ESG issues are included in our investment analysis and decision making.



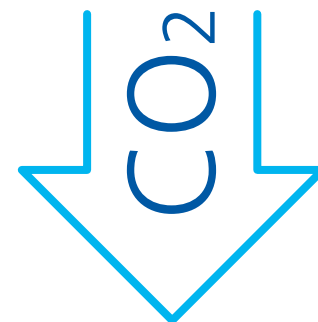
2. Investment in lower carbon infrastructure – we will target a £500 million annual investment in low-carbon infrastructure

for the next five years. This means more money invested into renewable energy and energy efficiency. We will also target 'carbon returns' alongside financial returns on our investment and are setting an associated carbon savings target for this investment of 100,000 tonnes of CO₂ annually. The transition to a low-carbon economy requires capital. A large proportion of this will need to be directed towards infrastructure.



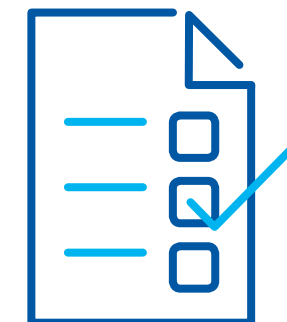
3. Supporting strong policy action on climate change – we will support policymakers in negotiating

a credible long-term greenhouse gas reduction goal at the upcoming UNFCCC negotiations in Paris in December 2015 and beyond that at a national and regional level. It is in all our interests to see a smooth transition to a lower carbon economy. Climate change is a market failure that requires government action to correct.



4. Active stewardship on climate risk – we will actively engage with companies to

achieve climate-resilient business strategies. We have a fiduciary duty to protect and enhance the value of client assets. Acting as responsible stewards – engaging and voting with the companies where we are shareholders – is central to delivering this.



5. Divesting where necessary – we will divest highly carbon-intensive

fossil fuel companies where we consider they are not making sufficient progress towards the engagement goals set. This decision will not be taken lightly and only where we believe that divestment is a balanced and proportionate response.



Fundamentally, addressing climate change effectively requires concerted action from all actors – companies, investors and policymakers. It also requires collective action.

This is our response. We hope it will help to encourage others to participate in the debate and take strong action and we look forward to working towards a common goal.



Find out more here:
bit.ly/Climate15